June 12, 2001

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DIVISION OF OIL, GAS AND MINING

Re: 3809/3715 U-69380 (UT-023) Your Notice of Noncompliance 5/14/2001.

Greetings,

First I would like to make a statement in regard to your notice. Northern Stone supply's goal has always been to run model quarry operations, and to work within the framework of the law. Communication is vital from both sides to achieve the best results for both parties with the least loss of time and money and to be the most cost effective for everyone involved. The continuing success of our economy and our society depends upon those factors. I truly believe that most of our problems could be easily and quickly resolved with on site meetings before it becomes exorbitantly expensive for both sides. We are dealing with a very complex and sometimes overlapping set of rules and regulations that are difficult for most small operators to completely understand. We need assistance. One or two yearly meetings with a cooperative attitude would solve 99% of the problems before they develop. I stress this in my company, and ask that the B.L.M. extend their hand in that way, and I will guarantee a very cooperative and professional response from my end.

In order to respond to your notice, I would like to address each issue.

1. Surface disturbance: There is some question about disturbed areas, mainly those involved on our Turquoise Stone #4 Mill Site. I must apologize if there has been an oversight there. We have been working on a development and restoration program on Turquoise Stone #4 Mill Site since the inception of our original mining plan. 50% of that mill site has been restored to a beautiful riparian area that is compatible with wildlife and our operations. In the area where we were charged with "mining common variety stone", we were merely removing surface stone and stock piling the stone for lack of a place to dispose of it and in the big picture, possibly develop a market for the product after obtaining permits from the B.L.M. to remove surface stone on near by sections and pay the royalty. You will recall that last year I put in a request for such a permit, but have never received a response. Our quarry and stock piling operations have not changed at all since filing our original plan of operations, except for the work we have done on Mill Site #4, and I still maintain that was clean up and restoration for future use. We may have been wrong in our approach, but this is where we have to communicate before serious legal problems develop.



Page 2 2. Access roads: Every access road was in place before we purchased the property. All of the roads were built in the 50's and 60's by Glen Fuller. We have graded and improved the roads to meet MSHA standards, and to control erosion as outlined in the 3/15/93 environmental assessment. We have always been told that these roads, as well as previously built structures, do not count as our disturbed areas. Additionally, I feel that there are discrepancies in the cited disturbed areas of our quarry, particularly since I was not on site when the measurements were calculated. Lyn Kunzler and I were together when he did the calculations and nothing has changed since that date except for our on going reclamation plan as outlined in our original plan of operation. We have done no actual mining since we purchased the property and have diligently concentrated on salvage work and an extensive clean up and restoration campaign. This is where we need to get together on site and have clear understandings. We have not had an on site meeting with B.L.M. personnel since 1995. 3. Millsite #4 fence: It was our understanding that the fence was approved with our original plan of operation. We discussed an airstrip, although we opted to not construct that due to other priorities. The fences and gates that we have constructed around our working areas have been increasingly necessary over the years because of severe vandalism, theft, and a very large liability from all manner of people blundering into our property disturbing our workers, hunting, etc.. As time goes on this situation will only get worse. In addition, over the years cattle wandered freely up the stream corridor that runs through our working areas. The fences not only protect our working areas, but they have allowed us to restore a substantial riparian area along Rock Creek. The whole area has bloomed and the fish have come back in abundance. We have spent large sums of money on these restoration projects because we are committed to a quality environment for ourselves and future generations. If you could see these projects on site, I believe we would all have a better understanding. I would like to have a discussion on the Mill Site #4 fence to see if there might be a solution that would satisfy everyone instead of simply removing it.

- 4. Padlock on the main gate located on the Rock Canyon Road: It certainly was not our intention, or that of Glen Fuller's, to block access to the B.L.M.. The gate has been locked for over 40 years and has yet to hinder B.L.M. access. I simply do not want to be accused of that intent. If the B.L.M. will provide a lock we will install the lock. We will expect B.L.M. personnel to keep the gate closed and locked after entering to preclude damage from people and livestock, and not to bother our workers who may be in the area, and absolve N.S.S., Inc. from any injury that might result from their inspections of the quarry area.
- 5. Use and occupancy regulations: We are sending a new mine site map identifying the location of structures on the site. In addition, you have previously received an areal photo map that identifies the fenced areas. My copy is not clearly defined in regard to the fence issue on Mill Site #4. At any rate you can draw in the east, south, and west fence on line for that claim as it adjoins the fence for the other working areas.
- A. Our occupancy has demonstrated the necessity of all structures and improvements over the course of the 46 years of the quarry's history, and certainly meets or exceeds the conditions specified in 43CFR3715.2 and 3715.2-1;3. Our mining claims and original Mill Site applied for patent some 10 years ago and was issued the first half of the final certificate for patent. This 10 year process has validated the importance of structures etc. etc. to the stability of our quarry.
- B. The location of fences, gates, signs intended to exclude the general public have been discussed, documented, and reviewed prior to our original mining plan that was confirmed by the B.L.M... In today's world there is a serious exposure to liability and it is our obligation as a professional mining company to warn and restrict the public from entering our working areas.